

Message Text

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ACTION EUR-25

INFO OCT-01 IO-15 ISO-00 AGR-20 AID-20 CEA-02 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02

SPC-03 STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 PA-03

PRS-01 USIA-15 DRC-01 /148 W
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R 261705Z SEP 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5783

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

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PASS AGRICULTURE

E.O.11652: N/A

TAGS: EAGR, OCON, EEC

SUBJECT: SEPTEMBER 24-25 EC COUNCIL OF MINISTERS (AGRICULTURAL)
MEETING

REF: A. EC BRUSSELS 5473 B. EC A-290 C. EC A-331 OF 10/20/71;
D. EC A-278 OF 10/6/72 E. EC A-360

1. SUMMARY: ON SEPTEMBER 24-25 THE EC COUNCIL OF AGRICULTURAL
MINISTERS HELD ITS FIRST MEETING AFTER THE SUMMER VACATION.

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DURING THIS MEETING EC COMMISSIONER LARDINOIS ANNOUNCED THAT

THE COMMISSION WILL SUBMIT TO THE COUNCIL AS SOON AS POSSIBLE PROPOSALS FOR CAP REGULATIONS AIMED AT ENCOURAGING THE PRODUCTION OF CERTAIN PROTEIN-RICH CROPS IN THE COMMUNITY (SEE REF. A). THE COUNCIL HAD AN EXCHANGE OF VIEWS ON THE COMMUNITY'S FUTURE SUGAR POLICY, BUT MADE NO ATTEMPT TO ARRIVE AT AN AGREEMENT ON THESE PROPOSALS. THE COUNCIL DID AGREE ON THE IMPLEMENTATION OF A REGULATION OF A TECHNICAL NATURE FOR WINE WHICH OPENS THE WAY FOR THE APPLICATION ON OCTOBER 1 OF THE EC CERTIFICATION REQUIREMENTS FOR IMPORTED WINES. THE COUNCIL AGREED IN PRINCIPLE THAT THE DUTCH MEASURES COMPENSATING FOR THE REDUCTION IN THE NETHERLANDS' CAP PRICES CONSEQUENT ON GUILDER REVALUATION SHOULD BE, TO A SMALL EXTENT, FINANCED BY FEOGA. THE COUNCIL MADE NO PROGRESS TOWARD ADOPTING A DIRECTIVE PROVIDING FOR AIDS TO HILL FARMS. THUS, THE OCTOBER 1 DATE WHICH THE COUNCIL AGREED ON IN MAY FOR IMPLEMENTATION OF THIS DIRECTIVE WILL NOT BE MET. IRELAND REQUESTED THAT THE MONETARY COMPENSATORY AMOUNTS LEVIED ON IRISH EXPORTS OF BEEF TO THIRD COUNTRIES BE SUSPENDED OR OFFSET BY AN EXPORT SUBSIDY. THE COMMISSION WILL STUDY THIS REQUEST. THE NEXT MEETING OF THE AGRICULTURAL MINISTERS WILL TAKE PLACE ON OCTOBER 22-23 AT WHICH TIME THE COUNCIL MAY DISCUSS REVIEW OF THE CAP. END SUMMARY.

2. DURING THE EC COUNCIL OF AGRICULTURAL MINISTERS MEETING ON SEPTEMBER 24-25 AND REPORTEDLY IN RESPONSE TO AN INQUIRY FROM FRENCH AGRICULTURAL MINISTER CHIRAC, EC COMMISSIONER LARDINOIS ANNOUNCED THAT THE COMMISSION WILL SUBMIT TO THE COUNCIL IN OCTOBER A REPORT ON THE PRODUCTION OF PROTEIN-RICH CROPS IN THE COMMUNITY. HE ADDED THAT THE COMMISSION WILL ALSO DEVELOP "AS SOON AS POSSIBLE" PROPOSALS ON MEASURES TO ENCOURAGE COMMUNITY PRODUCTION OF THOSE CROPS (REF. A). THE COMMUNIQUE OF THE COUNCIL MEETING STATES THAT THE COUNCIL TOOK NOTE WITH SATISFACTION OF THIS STATEMENT.

3. THE AGRICULTURAL MINISTERS DISCUSSED THE COMMISSION'S PROPOSALS ON THE COMMUNITY'S FUTURE SUGAR CAP, IN PARTICULAR THE PROPOSED PRODUCTION QUOTAS (REF. B), BUT APPARENTLY MADE NO REAL ATTEMPT TO REACH A CONVERGENCE OF VIEWS ON THESE PROPOSALS. CHIRAC, SUPPORTED BY BELGIAN MINISTER LAVENS, STIPULATED AGAINST ANY PRODUCTION RESTRAINTS BEGINNING WITH THE 1975/76 SEASON WHEN A NEW SUGAR CAP SHOULD BE IMPLEMENTED. GODBER, THE BRITISH MINISTER, CONTINUED LIMITED OFFICIAL USE

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HIS GENERAL SUPPORT FOR ADOPTION OF THE COMMISSION'S PROPOSALS. HOWEVER, HE AND ALSO THE DANISH AND IRISH MINISTERS EXPRESSED DISSATISFACTION WITH THE COMMISSION'S PROPOSED METHOD OF CALCULATING BASE QUOTAS. THE COMMISSION PROPOSES THAT THESE QUOTAS BE EQUAL TO 93 PERCENT OF AVERAGE PRODUCTION IN THE FIVE-YEAR PERIOD 1968/69 - 1972/73. GODBER SAID THE BRITISH QUOTAS SHOULD BE BASED ON WHAT U.K. PRODUCTION COULD HAVE BEEN IN THAT PERIOD IN THE ABSENCE OF ACREAGE CONTROLS, INSTEAD OF BEING BASED ON ACTUAL OUTPUT.

4. LARDINOIS REPORTED THAT THE COMMISSION IS CONSIDERING SUPPLEMENTING ITS PROPOSALS ON THE FUTURE SUGAR CAP WITH PROPOSALS ON SPECIAL MEASURES (SUCH AS STOCKPILING) TO DEAL WITH TRANSITION FROM A WORLD SHORTAGE TO A SURPLUS SITUATION (OR VICE VERSA). HOWEVER, LARDINOIS REPORTEDLY GAVE NO INDICATION THAT THE COMMISSION MAY BE CONSIDERING REVISION OF ITS ORIGINAL PROPOSALS.

5. THE COUNCIL ADOPTED A TECHNICAL REGULATION ON THE SULFUR-DIOXIDE CONTENT OF TABLE WINES. THE ADOPTION OF THIS REGULATION OPENS THE WAY FOR THE APPLICATION ON OCTOBER 1 OF THE EC CERTIFICATION REQUIREMENTS FOR IMPORTED WINE (REFS. C AND D). THE APPLICATION OF THESE CERTIFICATION REQUIREMENTS HAS BEEN POSTPONED NUMEROUS TIMES DURING THE PAST TWO YEARS BECAUSE OF LACK OF AGREEMENT AMONG THE MEMBER STATES ON THE APPLICATION OF SULFUR-DIOXIDE TOLERANCES FOR TABLE WINES.

6. ON THE U.K.'S REQUEST, TH COUNCIL DISCUSSED HUMANE TREATMENT DURIN G TRANSPORT OF ANIMALS FOR SLAUGHTER. THE MINISTERS AGREED TO RECOMMEND THAT ALL MEMBER STATES SIGN THE COUNCIL-OF-EUROPE CONVENTION ON THE PROTECTION OF ANIMALS DURING TRANSPORT. THEY ALSO AGREED TO SET UP A WORKING GROUP TO SUTDY POSSIBLE COMMUNITY MEASURES ON ANIMAL PROTECTION.

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PASS AGRICULTURE

7. DUE TO THE PRESSURE OF OTHER WORK, THE SPECIAL AGRICULTURAL COMMITTEE FAILED TO COME UP WITH A COMPLETE REPORT ON THE PROPOSED DIRECTIVE PROVIDING FOR AIDS TO HILL FARMING. THE COUNCIL INSTRUCTED THE COMMITTEE TO PREPARE ITS REPORT AS SOON AS POSSIBLE IN ANTICIPATION OF COUNCIL ADOPTION OF THE DIRECTIVE IN OCTOBER. IN MAY 1973, THE COUNCIL SET A DEADLINE DATE OF OCTOBER 1, 1973, WHICH NOW WILL NOT BE MET, FOR ADOPTION OF THE DIRECTIVE.

8. THE COUNCIL AGREED, IN PRINCIPLE, THAT THE MEASURES TAKEN BY THE NETHERLANDS TO COMPENSATE DUTCH FARMERS FOR THE REDUCTION IN LIMITED OFFICIAL USE

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THE NETHERLANDS' CAP PRICES RESULTING FROM GUILDER REVALUATION (REF. E) SHOULD BE PARTIALLY FINANCED BY FEOGA. THE COUNCIL AGREED ON A FEOGA CONTRIBUTION OF 5 MILLION U.A. WHICH WILL ACCOUNT FOR ABOUT 15 PERCENT OF THE COMPENSATORY PAYMENTS TO BE GRANTED BY THE DUTCH GOVERNMENT TO ITS FARMERS DURING THE NEXT SIX MONTHS. THE DRAFT REGULATIONS PROVIDING FOR THE FEOGA CONTRIBUTION WAS SUBMITTED BY THE COUNCIL TO THE EUROPEAN PARLIAMENT.

9. IRISH MINISTER DLINTON EXPRESSED CONCERN ABOUT THE DROP IN CATTLE PRICES IN HIS COUNTRY. HE ALSO REQUESTED THAT THE MONETARY COMPENSATORY AMOUNTS LEVIED ON IRISH EXPORTS OF BEEF TO THIRD COUNTRIES (I.E. THE U.S.) BE EITHER SUSPENDED OR OFFSET BY AN EXPORT SUBSIDY. HE SAID THAT THESE AMOUNTS, WHICH ARE ABOUT 150 U.A. /M.T., DAMAGE THE COMPETITIVE POSITION OF IRISH BEEF ON THE U.S. MARKET. THE COMMISSION AGREED TO LOOK INTO THE SITUATION.

10. THE COUNCIL'S REVIEW OF THE CAP MAY TAKE PLACE DURING THE NEXT COUNCIL OF AGRICULTURAL MINISTERS'S MEETING SCHEDULED FOR OCTOBER 22-23 IN LUXEMBOURG. CHIRAC (DESCRIBED BY SOMZ PERREP SOURCES AS " UNUSUALLY FRIENDLY AND COOPERATIVE" DURING THE ENTIRE COUNCIL MEETING), IN TALKING TO THE PRESS, TOOK THE OPPORTUNITY TO EXPOUND HIS VIEWS ON WHAT THIS REVIEW SHOULD ENTAIL. HE SAID THAT HE, THE OTHER MINISTERS, AND LARDINOIS WERE GENERALLY AGREED

THAT THE DISCUSSIONS ON THE CAP SHOULD NOT BE PROFOUND OR FAR-REACH-
ING. RATHER, HE SAID, THE COUNCIL SHOULD LIMIT DISCUSSION TO TECHNICAL

ADJUSTMENTS IN THE CAP TO IMPROVE INTERNAL SUPPORT MECHANISMS. NO
FUNDAMENTAL CHANGES IN THE CAP SHOULD BE CONSIDERED. HE ADDED
THAT THE CAP SHOULD BE CONTINUOUSLY EXAMINED TO IMPROVE ITS
FUNCTIONING. GREENWALD

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